

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of

Nevada Bell, Pacific Bell and Southwestern
Bell Telephone Company Petition for
Forbearance of Section 272 of the
Communications Act, as Amended, to
Provide Reverse Directory Services

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CC 98-193

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

PETITION FOR FORBEARANCE

Southwestern Bell Telephone Company ("SWBT"), Nevada Bell and Pacific Bell, (collectively referenced as "the SBC Telcos") hereby petition the Commission pursuant to Section 10 of the Communications Act, to forbear from applying the requirements of Section 272 of the Act, so as to allow the SBC Telcos to provide, on an integrated basis, electronic reverse directory services and operator assisted reverse directory services utilizing listing databases located outside of the caller's local access and transport area ("LATA"). This Petition seeks forbearance of the requirements of Section 272 consistent with the relief granted to BellSouth in relation to its provisioning of reverse directory assistance.¹ As required by the BellSouth Forbearance Order, the SBC Telcos are willing to make available to unaffiliated competing reverse search directory assistance providers the directory listing information that the SBC Telcos will use to provide this service at the same rates, terms and conditions, if any, that they charge or impose on their own reverse directory operations.

I. THE SBC TELCOS' PROPOSED REVERSE SEARCH DIRECTORY SERVICES ARE SIMILAR TO THAT PROVIDED BY BELL SOUTH.

A. ELECTRONIC REVERSE SEARCH DIRECTORY SERVICE

Currently, SWBT offers customers an electronic reverse directory service called "DirectLine CustomSM Service" which allows them direct on-line access to a single, centralized

¹ Memorandum Opinion and Order, *In the Matter of Bell Operating Companies Petitions for Forbearance from the Application of Section 272 of the Communications Act of 1934, As Amended, To Certain Activities*, released February 6, 1998 ("BellSouth Forbearance Order").

listing database located in St. Louis, Missouri in order to obtain listing information. Like the BellSouth "regional" reverse directory assistance service, SWBT's DirectLine CustomSM Service enables a caller to obtain reverse directory information for locations within the SWBT territory, including locations within the caller's numbering plan area. The DirectLine CustomSM Service database is currently separate and apart from the directory assistance databases used by SWBT local directory assistance operators in providing listings and there is no interaction among these databases. A caller accesses the DirectLine CustomSM Service database by dialing a specific number with the St. Louis "314" area code. SWBT does not provide any interLATA transmission associated with this service. Calls placed by customers outside the St. Louis LATA are transmitted across LATA boundaries by the customer's interexchange carrier; the interexchange carrier, in turn, charges the customer separately for the interLATA transport of the call.²

The Commission previously has upheld the integrated provisioning of this service in two orders. In the first of these orders,³ the Commission concluded that the DirectLine CustomSM Service was an adjunct-to-basic service in that it permitted "access to a database which customers can use to obtain telephone numbers and addresses of telephone subscribers...by entering their names."⁴ In the second order,⁵ the Commission granted SWBT a limited waiver of the Comparably Efficient Interconnection ("CEI") requirements "to provided reverse search

² As with BellSouth's "regional" electronic reverse directory service, since the subscriber to SWBT's DirectLine CustomSM Service purchases that service separately from the interLATA transmissions that allow the subscriber to communicate with SWBT's centralized database, the DirectLine CustomSM Service, as currently offered, is an intraLATA service which SWBT need not offer through a separate affiliate. See, BellSouth Forbearance Order, ¶61.

³ Memorandum Opinion and Order, *In the Matter of Southwestern Bell Telephone Company Petition for Waiver of Section 69.4(b) of the Commission's Rules, Revisions to Tariff F.C.C. No. 68*, 5 FCC Rcd. 3792 (1990).

⁴ Id. at ¶13.

⁵ Memorandum Opinion and Order on Reconsideration, *In the Matter of Southwestern Bell Telephone Company Petition for Waiver of Computer III Rules for Reverse Search Capability*, CC Docket No. 90-623, DA 96-1069, 11 FCC Rcd. 7997 (1996).

capability" in conjunction with the white pages capability offered by the DirectLine CustomSM Service. No party opposed SWBT's filing. Moreover, the Commission expressly found in this proceeding that "the record indicates that competition already exists in the directory service market in areas where BellSouth and SWBT offer service and that competing providers of these services currently offer reverse search-capabilities as part of their offerings."⁶

Because of several technical deficiencies associated with the current database platform used to provide DirectLine CustomSM Service, SWBT intends to migrate the service to four Nortel D1 directory assistance databases located in St. Louis, Oklahoma City, Dallas and Houston. These are the same databases SWBT uses to support its local directory assistance offering.⁷ One of the four Nortel D1 platforms will become the new interface for the DirectLine CustomSM Service. This migration will enhance the service's reliability and eliminate the need for the existing, separate DirectLine CustomSM database platform. The current database platform is aging and outdated and unable to meet customer needs.⁸ No spare parts exist for the current platform. Moreover, the platform is not year 2000 compliant and cannot be made year 2000 compliant. Unless permitted to access its other directory assistance databases as proposed in this Petition, SWBT's provisioning of this service will be severely jeopardized.

As envisioned, a subscriber to the DirectLine CustomSM Service will still dial a specific telephone number in order to access a centralized reverse directory assistance database and this call will be transmitted by an interexchange carrier. However, if the listing information is not located in this database/interface, the database/interface will electronically query one of the other

⁶ Id. at ¶24.

⁷ SWBT has future plans to consolidate these four database platforms into two platforms and would request the Commission's determination in this matter take this contingency into consideration.

⁸ The existing platform has experienced numerous hardware failures in 1997, one of which resulted in the database not being updated for a month. In addition, there have been six service-affecting hardware failures to date in 1998.

three remaining D1 databases in another LATA to obtain the requested information. This query shall be transmitted over SWBT official communications circuits. The difference to the customer with regard to how he obtains the information shall be transparent.

By utilizing multiple local directory assistance databases, the service shall become more reliable and responsive. SWBT estimates response time for requests will improve from 5 seconds to only 0.5 second. Other advantages will include automatic updates reflecting area code changes, global database changes, changes in directory coverage and error corrections. Currently, listing information is provided to the separate DirectLine CustomSM Service platform in the same manner and from the same source used to update the directory assistance databases. By migrating the service to the four D1 database platforms, DirectLine CustomSM Service customers will benefit from faster database updates through the elimination of the need to administer two separate database platforms. Providing reverse directory assistance information utilizing the interaction of multiple databases allows greater capacity, enabling customers to submit larger batch requests to SWBT. Thus, it improves efficiency while reducing associated costs.

Although Pacific Bell and Nevada Bell do not currently offer an electronic reverse directory assistance service, they may do so in the future. The same network architecture linking multiple databases described above could be employed since it is the most efficient and reliable means to provide this electronic service to customers.

B. OPERATOR ASSISTED REVERSE SEARCH DIRECTORY SERVICE

In this Petition, the SBC Telcos are also applying for authority to offer operator assisted reverse search services on an integrated basis, whereby the caller calls a local directory assistance operator in order to obtain the address and name associated with a telephone number in the same numbering plan area as the caller. The operator may provide this information by accessing either the local directory assistance database or a local directory assistance database in another LATA. This service will be offered in the same manner as BellSouth's operator assisted reverse search service.⁹

⁹ See, BellSouth Forbearance Order, ¶ 52-54.

To obtain reverse directory information for numbers within the customer's toll-free calling area, users of the SBC Telcos' operator assisted reverse directory services will dial the same local number (411) that they use to obtain standard directory assistance services. The telephone company will route the reverse search directory services call over the same network using the same resources as it uses for standard directory assistance services. Like BellSouth, these calls shall terminate in a traffic operator position system (TOPS) switch located within the caller's LATA. The operator will retrieve the requested information from one of SWBT's four D1 databases, and will convey the information to the caller. If the relevant D1 database is located outside the operator's LATA, the query will be transported over the SBC Telcos' official communications circuits.

II. THE REVERSE SEARCH DIRECTORY SERVICES ENVISIONED BY THE SBC TELCOS ARE INCIDENTAL INTERLATA SERVICES AND MEET THE REQUIREMENTS FOR FORBEARANCE.

A. THESE SERVICES ARE INCIDENTAL INTERLATA SERVICES UNDER SECTION 271(g)(4) OF THE TELECOMMUNICATIONS ACT.

Section 271(g)(4) of the Telecommunications Act defines as an incidental interLATA service "a service that permits a customer that is located in one LATA to retrieve stored information from...information storage facilities of such company that are located in another LATA."¹⁰ In the BellSouth Forbearance Order¹¹, the Commission recognized that BellSouth's "home NPA" service which entailed interLATA transmissions over official communications lines for the purpose of obtaining access to a centralized directory listing database constituted an incidental interLATA service under Section 271(g)(4).¹²

¹⁰ 47 U.S.C. §271(g)(4).

¹¹ BellSouth Forbearance Order, ¶68.

¹² With regard to BellSouth's operator assisted reverse search services, the issue of whether Section 271(g)(4) also applied to these services was never reached because of the Commission's finding that since these services were previously authorized through an MFJ waiver received by BellSouth, they fell within the parameters of Section 271(f). BellSouth Forbearance Order, ¶67. The SBC Telcos' operator assisted reverse search service was not the subject of an MFJ waiver and thus, Section 271(f) does not pertain to the instant request.

Clearly, SBC Telcos' reverse search directory services also fall within this category. In the case of the SBC Telcos' electronic service, the operator services system would determine which of the four separate databases should be searched to retrieve the requested listing. In many instances, this will involve an interLATA query for purposes of enabling a customer to obtain information from a database physically located outside the customer's LATA.

The same concept applies to the SBC Telcos' operator assisted reverse search services. The operator may access a directory listing database which is not physically located in the operator's LATA.¹³ Again, the purpose of this access is to obtain information on behalf of the customer and is entirely consistent with the manner in which the SBC Telcos provide traditional directory assistance.

B. FORBEARANCE IS WARRANTED UNDER THE STANDARDS SET BY SECTION 10.

Absent forbearance by the Commission, incidental interLATA services defined under Section 271(g)(4) are subject to the separate affiliate requirements of Section 272.¹⁴ However, in the instant case, forbearance is warranted in accordance with the standards set by Section 10.¹⁵ Under Section 10, the Commission may grant forbearance under the following three conditions:

- (1) Enforcement of such regulation or provision is not necessary to ensure that the charges, practices, classifications, or regulations by, for, or in connection with that telecommunications carrier or telecommunications service are just and reasonable and are not unjustly or unreasonably discriminatory;
- (2) Enforcement of such regulation or provision is not necessary for the protection of consumers; and

¹³ This is identical to the process followed today to provide basic local directory assistance service. A caller in Wichita, KS (LATA 532), for example, dialing '411' may reach an operator in Kansas City, MO (LATA 524) who will access a local directory assistance database in St. Louis, MO (LATA 520).

¹⁴ 47 U.S.C. §272.

¹⁵ 47 U.S.C. §160.

(3) Forbearance from applying such provision or regulation is consistent with the public interest.

1. The Requirements of Section 272 are not Necessary to Ensure that the Reverse Search Charges, Practices, Classifications or Regulations are Just and Reasonable.

SWBT's DirectLine CustomSM Service has been offered to SWBT customers since June 1990. The only difference with regard to how the service will be provided in the future relates to the possible need to access more than one database in order to fulfill the customer's request and the use of official communications circuits to access these databases. Their interexchange carrier will still charge the customer the same transport charge for transmitting the call to the DirectLine CustomSM Service. The reason for reconfiguring this service is because of the technical limitations and unreliability of the current DirectLine CustomSM Service platform. Absent this relief, SWBT would need to invest in a new stand-alone database dedicated solely to DirectLine CustomSM Service. Without the ability to provision this service using the existing directory assistance database architecture, the service may no longer be economically viable and SWBT must seriously consider discontinuing this offering.

With regard to the SBC Telcos' provisioning of reverse search directory services on an operator assisted basis, this service is little different from the manner in which local directory assistance is currently provided. In both cases, a local directory assistance operator may need to access a database across LATA boundaries in order to retrieve the requested information, even where that information relates to a location within the caller's boundaries. The formation of a separate affiliate just to handle these types of calls would entail significant expenditures and the unnecessary duplication of personnel and equipment. Furthermore, given that as in BellSouth's case, it is believed that these calls will only constitute a small percentage of the total directory assistance calls received, economies of scale can only be achieved by providing the service on an integrated basis.

The Commission found that the BellSouth reverse search service would meet the first criteria of Section 10, if BellSouth agreed to make available all listing information which BellSouth used to provide its reverse directory services at the same rates, terms and conditions, if

any, which BellSouth charges or imposes on its internal directory operations. The SBC Telcos agree that if the Commission grants forbearance with respect to its reverse search services, it will also abide by this condition with respect to competing reverse search directory assistance providers.¹⁶

2. The Imposition of a Separate Affiliate Requirement is not Necessary to Protect Consumers.

One of the primary objectives of the Section 272 separate affiliate requirement is to prohibit anticompetitive discrimination. By allowing the SBC Telcos to provide electronic and operator assisted reverse search services, the Commission would be promoting, rather than inhibiting, competition. Numerous entities, including Internet service providers, information service providers, alternate directory assistance providers and directory publishers, offer distinctive competitive services. The SBC Telcos' provisioning of listing information to competing reverse search directory assistance providers on the same terms, conditions and rates as that applicable to its own operations further will enhance these providers' abilities to compete in this market and is entirely consistent with the Commission's objectives of fostering competition in the directory services market. Thus, rather than being anticompetitive, the granting of forbearance will result in greater competition.

In addition, with regard to the need for a separate affiliate to preclude cost shifting, the Commission already has adopted safeguards which will ensure the proper accounting for these services.¹⁷ These services for accounting purposes will be treated as nonregulated services for purposes of protecting against cross-subsidization.

¹⁶ The SBC Telcos already provide non-discriminatory access to directory listing information through its interconnection agreements with competing local exchange providers as required by §251(b)(3) of the Act and 47 CFR §51.217(c)(3)(ii). To the extent that these state commission approved agreements might set rates for listing information different from that envisioned above, the terms of these agreements shall control.

¹⁷ Report and Order, *In the Matter of Implementation of the Telecommunications Act of 1996, Accounting Safeguards Under the Telecommunications Act of 1996*, 11 FCC Rcd. 17539 (1996).

3. Forbearance With Regard to the SBC Telcos' Provisioning of Reverse Search Services Would Be in the Public Interest.

The third and final criteria for Section 10 forbearance is that the forbearance must be in the public's interest. This evaluation includes an analysis of whether forbearance would promote competitive market conditions.

As discussed above, the granting of forbearance would enhance competition by allowing competing reverse search directory assistance providers access to the SBC Telcos' listing information on nondiscriminatory terms. In addition, forbearance is necessary if the SBC Telcos are even to offer the service to the public. If a separate affiliate were required, this structure would necessitate significant additional costs which would, in turn, be passed on to consumers in the form of higher service rates. With this cost burden, the SBC Telcos could not effectively compete with providers of alternative directory assistance services that can offer reverse search services on an integrated basis. Given that the operation of a separate affiliate for this purpose would entail creating duplicate operator centers, databases, other hardware and support systems, it is very unlikely that this service would be financially viable.

In relation to the SWBT's electronic reverse search service, it has been shown above that the utilization of multiple directory assistance databases would enhance the reliability of the service, as well as providing greater capacity. Moreover, customer response time would be greatly reduced and customers would be able to access more up-to-date data. Given the technical difficulties encountered with SWBT's use of a single database, if denied the ability to utilize multiple databases on an integrated basis, SWBT will be placed in the untenable position of either having to expend a significant sum to update and maintain a defunct database platform or discontinue its offering of its electronic reverse search service.

The introduction of the SBC Telcos as competitors in this market, and the resultant ability of their reverse search directory assistance competitors to gain access to their listings are in the public's interest. Forbearance in this regard would obviously promote competition.

III. CONCLUSION

The provisioning of reverse search services as proposed by the SBC Telcos fall within the parameters of Section 271(g)(4) as incidental interLATA services. Consistent with its prior decision in the BellSouth Forbearance Order, and subject to the same conditions thus imposed, the SBC Telcos respectfully request the Commission grant forbearance from the imposition of the Section 272 separate affiliate requirements in relation to their electronic and operator assisted reverse search services.

Respectfully submitted,

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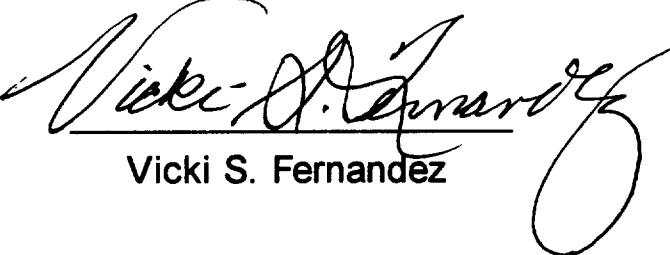
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Attorneys for Southwestern Bell Telephone Company,
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October 5, 1998

CERTIFICATE OF SERVICE

I, Vicki S. Fernandez, hereby certify that the foregoing,
“ SBC Telcos-Petition for Forbearance of Section 272” , has been
filed this 5th day of October 1998, to the Parties of Record.


Vicki S. Fernandez

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